



Annual Membership Meeting Minutes

December 5, 2022

Doubletree Hotel, Atrium 4

Bloomington, Minnesota

ATTENDANCE:

Board Members

Felix Schmiesing	Trust Chair, Sherburne County
Ron Antony	Yellow Medicine County
Randy Schreifels	Stearns County
Don Wachal	Jackson County
Marcia Ward	Winona County
Kirk Peysar	Aitkin County
Jack Swanson	Roseau County
Kevin Corbid	Washington County
Ben Grimsley	Becker County

MCIT Staff:

Gerd Clabaugh	Executive Director
Steve Nelson	Deputy Director
Ondara Nyang'au	Finance Manager
Eric Nerness	Director of Claims
Kevin Balfanz	Director of Field Services
Karen Clayton-Ebert	Senior Staff Counsel for Risk Control
Sonya Guggemos	Senior Staff Counsel for Risk Control
Paul Hajduk	Risk Management Consultant
Tom Suppes	Risk Management Consultant
Alethea Sheridan	Loss Control Consultant
Heather Larson-Blakestad	Communications Manager
Michaela McCue	Graphic Designer

MCIT Members:

Laurie Westerlund	Aitkin County
Richard Anderson	Beltrami County
Ed Popp	Benton County
Dean Simonsen	Brown County
Dennis Genereau, Jr.	Carlton County
Rick Greene	Chisago County
Kevin Campbell	Clay County
Ginny Storlie	Cook County
Larry Anderson	Cottonwood County
Timothy Houle	Crow Wing County
Tim Tjosaas	Dodge County
Keith England	Douglas County

John Roper	Faribault County
Bobbie Vickerman	Fillmore County
Brad Edwin	Freeborn County
Todd Greseth	Goodhue County
Robert Burns	Houston County
Kay Rave	Hubbard County
Brett Skyles	Itasca County
Rollie Nissen	Kandiyohi County
Brian Buhmann	Kittson County
DeRon Brehmer	Lac qui Parle County
Steve Rohlfing	Le Sueur County
Michael VanDeVere	Lincoln County
Paul Graupmann	Lyon County
Scott Peters	Marshall County
Elliot Belgard	Martin County
Sheila Murphy	McLeod County
Lee Rogness	Otter Tail County
Kurt Mortensen	Otter Tail County
Jennifer Herzberg	Pennington County
Joan Lee	Polk County
Gary Willhite	Polk County
Larry Lindor	Pope County
Vicki Knobloch-Kletscher	Redwood County
Randy Kramer	Renville County
Jim Purfeerst	Rice County
Sherri Thompson	Rock County
Martie Monsrud	Roseau County
Tom Wolf	Scott County
John Glisczinski	Sibley County
Joe Perske	Stearns County
James Brady	Steele County
Jeanne Ennen	Stevens County
Gary Hendrickx	Swift County
Randy Neumann	Todd County
David Salberg	Traverse County
Blair Nelson	Waseca County
DeAnne Malterer	Waseca County
Stan Karwoski	Washington County
Bill Miller	Watsonwan County
Dennis Larson	Wilkin County
Lee Kelly	Wright County

Others in Attendance:

Peter Bergstrom	MCIT General Counsel
Gordon Graham	Lexipol

CALL TO ORDER

MCIT Board Chair Felix Schmiesing called MCIT's 2022 Annual Membership Meeting to order at 4 p.m. in Atrium 4 at the Doubletree Hotel in Bloomington, Minnesota.

2022 ANNUAL MEMBERSHIP MEETING AGENDA

000 Motion by Richard Anderson, Beltrami County, seconded by Jim Purfeerst, Rice County, to approve the 2022 MCIT Annual Membership Meeting agenda. The motion carried unanimously by the members in attendance.

MINUTES OF THE 2021 ANNUAL MEMBERSHIP MEETING

000 Motion by Rollie Nissen, Kandiyohi County, seconded by Mic VanDeVere, Lincoln County, to approve the minutes of the 2021 MCIT Annual Membership Meeting held on December 6, 2021. The motion carried unanimously by the members in attendance.

INTRODUCTION OF GORDON GRAHAM

Chair Schmiesing introduced Gordon Graham to those in attendance. Graham addressed the group advising he is the founder of California-based Lexipol and is MCIT's sponsored conference keynote speaker. Graham, an expert in the field of law enforcement and risk management, invited all in attendance to attend the December 6th General Session to hear his presentation on the "10 Families of Risk".

FINANCIAL REPORT

Gerd Clabaugh, MCIT Executive Director, presented the 2021 audited financial statement. It was reported that the independent audit firm of Eide Bailly LLP assigned MCIT an unmodified audit opinion for 2021. Items of note from the financial statement include:

- Member contributions of \$41.3M representing a \$2.7M increase from 2020. The difference was influenced by an increase in aggregate rates and member's exposure base.
- Other income includes a one-time dividend of premium paid to the state Workers' Compensation Reinsurance Association of \$11.3M. Actual receipt of these funds was April 2022.
- Claims paid and changes in reserves of \$24.7M representing an increase of \$5.6M from 2020. The increase is a result of payments relating to law enforcement claims and other claim types.
- 2021 revenues of \$51.0M compared to expenses of \$37.4M. MCIT's 2021 year-end fund balance was \$94.4M.
- A dividend of \$12.0M was returned to members.

Clabaugh also provided a report on unaudited financial information of the Trust as of September 30, 2022. Significant items include:

- Member contributions of \$32.9M at 9/30/21 that are \$2.6M more than at this time last year. The difference is a result of increases in aggregate rates and member's exposure base.
- Total paid claims at 9/30/21 of \$17.6M compared to \$13.9M at this time last year. The increase can be attributed in part to payments returning to closer to trend from the slower pace of payments during earlier in the pandemic, which at that time was experiencing delays in the court system due to COVID-19.
- Administrative and operating expenses totaled \$5.1M compared to \$5.2M at this time last year.
- A Dividend of \$7.0M was declared earlier in the year and paid in November 2022 from the Workers Compensation Division only.

000 Motion by Bobbie Hillery, Fillmore County, seconded by Steve Rohlfing, LeSueur County, to approve the 2021 Audited Financial Statement. The motion carried unanimously by the members in attendance.

ELECTION OF BOARD MEMBERS

Pursuant to the MCIT bylaws, the election of board members was conducted. Chair Schmiesing announced that one seat was up for election. He explained that Becker County Commissioner Ben Grimsley was not re-elected in his local election and was therefore ineligible to serve on the MCIT board in 2023, resulting in an open seat for a new four-year term.

000 Representing the Nominating Committee, Aitkin County Auditor Kirk Peysar outlined the process to call for candidates. He reported that a call for candidates letter was issued to all individuals eligible to serve on the MCIT board for the seat presently held by Commissioner Grimsley on October 4th, 2022 noting Grimsley's intent to seek re-election to the four-year term. The November 9th deadline for applications was extended to November 22nd after local elections concluded that Grimsley was ineligible to serve on the board. Six applications were received during the extension. The MCIT nominating committee comprised of Peysar, Roseau County Commissioner Jack Swanson and Jackson County Commissioner Don Wachal reviewed the applications, selecting two for today's election.

Peysar then placed into nomination Otter Tail County Commissioner Kurt Mortenson and Polk County Commissioner Gary Willhite for a vote by the members in attendance to serve on the MCIT Board of Directors for a four year term that will expire on December 31, 2026. An election using paper ballots cast by the voting delegate of each county member in attendance was conducted.

MCIT General Counsel Peter Bergstrom tabulated the votes announcing that Otter Tail County Commissioner Mortenson won the election garnering 27 votes to Polk County Commissioner Willhite's 18 votes.

MCIT PROGRAM UPDATE

Gerd Clabaugh, MCIT Executive Director, introduced himself to attendees, and shared his appreciation for the opportunity the Board has provided him to serve Minnesota counties, other local governments and, by extension, citizens of Minnesota. MCIT's mission is aligned very much with the mission of counties, with MCIT aiming to support its members when members' have "bad days". The theme of the 2021 MCIT Annual Report was "Steady in Shifting Times", and we have continued to experience shifting times in 2022. He provided some examples including MCIT's new cybersecurity coverage, claims and their reflection of continued challenges in law enforcement and property coverage, reinsurance and the global marketplace we operate in with regard to acquiring this critical finance support to our program, and in our outreach and training programs. He closed by sharing that MCIT, its staff, and its Board are steadily focused at continuing our work of supporting local government operations as our members serve the public.

ANNOUNCEMENT OF 2022 ACHIEVEMENT AWARDS

Chair Felix Schmiesing announced the 2022 MCIT award winners:

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| ▪ County of the Year: | Douglas County |
| ▪ Outstanding Performance in the Property Casualty Division: | Marshall County |
| ▪ Outstanding Performance in the Workers' Compensation Division: | Aitkin County |

Schmiesing advised that these awards will be presented during the 2022 Awards Banquet Luncheon Tuesday afternoon. He congratulated all award winners on their success.

MEMBER COMMENTS

Chair Schmiesing asked for member comments. There were none.

FAREWELL TO BOARD MEMBERS

Before adjourning the meeting, Vice Chair Ron Antony, along with the rest of the MCIT Board thanked departing board members Becker County Commissioner Ben Grimsley, Washington County Administrator Kevin Corbid and Sherburne County Commissioner Felix Schmiesing for their service, dedication and friendship during their tenure on the board.

ADJOURN

000 Chair Schmiesing adjourned the meeting at 4:45 p.m.

Respectfully submitted,

Randy Schreifels
MCIT Secretary/Treasurer